

*Closes loophole abused by for-profit colleges that prey on federal military education funding*

WASHINGTON – Today, U.S. Representatives Mike Quigley (IL-05) and Jackie Speier (CA-12) introduced the Military and Veterans Education Protection Act, legislation that discourages for-profit colleges from aggressively targeting service members and veterans using military education assistance programs.

“Our veterans and active duty military have worked hard to protect us, and we must protect them in return,” **said Rep. Quigley**. “One of the promises we make to the men and women who serve in our military is that they will have access to higher education. This bill closes a loophole that encourages for-profit colleges, many of which care more about their bottom-line than providing a quality education, to prey on our brave men and women and their families.”

Under current law, for a college or university to be eligible to receive federal aid, no more than 90% of overall revenue may come from federal student aid, with the remaining 10% derived from private sources. This rule, commonly known as the 90/10 Rule, is meant to ensure that schools making significant profits are not fully funded by taxpayers.

However, a loophole in the current law allows schools to apply revenues received from publicly-funded military education initiatives, including the widely used Department of Veterans Affairs (VA) Post-9/11 GI Bill and Department of Defense (DOD) Tuition Assistance Program, toward the 10% side of the formula. Doing so effectively allows a for-profit school to be entirely funded by taxpayers and makes service members and veterans lucrative targets for exploitation.

“We’ve got to ask the question – when these for-profits are taking taxpayer funds and attributing 22% to marketing, 37% to profit, and they have an abysmal 60-70% drop out rate – is this a good deal for taxpayers? Is this a good deal for students? This bill holds for-profit colleges accountable and puts all taxpayer funded loans and benefits into the 90% side of the formula where they ought to be,” **said Rep. Speier**.

In the last academic school year, for-profit schools collected more than a billion dollars in

Post-9/11 G.I. Bill tuition payments, equaling nearly 1/3 of total disbursements made by the VA.

Quigley's bill ends this practice by revising the law to count military education aid the same as other federal student aid, restoring a true 90/10 split of public and private funding.

Many for-profit colleges create separate recruiting divisions to seek out veterans and active-duty military personnel. Predatory recruiting practices documented by the Government Accountability Office (GAO) include for-profit colleges using deceptive methods to recruit members of the military online, encouraging potential students to borrow beyond their means, and even signing up Marines with serious brain injuries.

While substantial financial resources, including those funded by taxpayer dollars, are directed toward recruitment, less attention is focused on the quality of education itself. Many for-profit colleges spend less than half of their budgets on education and nearly one-third on recruiting and marketing.

Rep. Quigley has been committed to good government reform in his two terms in Congress. He sits on the Committee on Oversight and Government reform and previously co-authored [an opinion piece on the predatory nature of for-profit colleges](#)

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[Transparency Caucus](#)

and recently released

[Reinventing Government: The Federal Budget Parts I and II](#)

, which establishes transparency in the budget process and offers 60 recommendations to save \$2 trillion over the next 10 years.

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